

Article - Criminal Law

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§13–302.

- (a) (1) In this section, “paper gaming” means a game of chance in which:
 - (i) prizes are awarded; and
 - (ii) the devices used to play the game are constructed out of paper or cardboard.
- (2) “Paper gaming” includes tip jar and punchboard gaming.
- (3) “Paper gaming” does not include bingo.
- (b) This section applies only in Allegany County.
- (c) (1) Subject to paragraphs (2) and (3) of this subsection, a person that is a for profit business or qualified organization may engage in paper gaming if the person obtains a paper gaming license that is issued by the Board of County Commissioners.
 - (2) If the person is a for profit business, the person shall also hold a Class A, C, or D retail alcoholic beverages license.
 - (3) Qualified organizations that do not have an alcoholic beverages license and fire and rescue departments may engage in paper gaming without obtaining a paper gaming license.
- (d) A person may sell paper gaming devices to a paper gaming licensee if the person obtains a wholesale vendor’s license issued by the Board of County Commissioners.
- (e) The Board of County Commissioners shall set annual fees for a paper gaming license and a wholesale vendor’s license.
- (f) Monthly, wholesale vendor licensees shall provide a list to the Board of County Commissioners of all customers to whom they sell paper gaming products and the total number of products sold to each customer.
- (g) A paper gaming licensee may not have on its premises a paper gaming device that does not display a gaming sticker.

(h) The Board of County Commissioners shall ensure that each retail alcoholic beverages licensee who holds a paper gaming license sells to the public the same serial-numbered paper gaming devices that are listed on the bill of sale from the wholesale vendor licensee.

(i) (1) The Board of County Commissioners may impose the following paper gaming taxes:

(i) on licensees that are qualified organizations, 10% of gross profits minus the costs of paper gaming products; and

(ii) on licensees that are for profit businesses, 40% of gross profits minus the costs of paper gaming products.

(2) The Board of County Commissioners may not impose a paper gaming tax on qualified organizations that do not have an alcoholic beverages license or fire and rescue departments that buy paper gaming devices from a licensed wholesale vendor.

(j) (1) In this subsection, “Fund” means the Special Gaming Fund.

(2) The Board of County Commissioners may establish a Special Gaming Fund.

(3) The Fund is a special continuing, nonlapsing fund.

(4) The Fund may be used only to benefit fire and rescue departments and to pay for specified school costs.

(5) (i) The Fund consists of:

1. revenue derived from the taxation of gross profits from tip jar sales; and

2. subject to subparagraph (ii) of this paragraph, money received from other sources.

(ii) Money from the General Fund of the State or county, including any federal money, may not be transferred by budget amendment or otherwise to the Fund.

(6) The Fund shall be invested and reinvested in the same manner as other county funds.

(7) Annually the Board of County Commissioners shall:

(i) pay from the Fund all administrative costs of carrying out this section, including the hiring of additional necessary personnel; and

(ii) allocate the remaining money in the Fund as follows:

1. at least 25% but not more than 35% to fire and rescue departments; and

2. the balance to pay for school construction, school supplies, and other nonmaintenance of effort costs.

(k) The Board of County Commissioners may adopt rules and regulations to administer and enforce this section.

(l) The Board of County Commissioners may:

(1) hire one or more inspectors; and

(2) authorize each inspector to enter the premises of a licensee to ensure compliance with this section or a rule or regulation adopted under this section.

(m) The Board of County Commissioners may adopt an ordinance or resolution declaring that a violation of this section or a rule or regulation adopted under this section is:

(1) a civil infraction under Title 11, Subtitle 2 of the Local Government Article; or

(2) a misdemeanor punishable by a term of imprisonment not exceeding 30 days or a fine not exceeding \$1,000 or both.

(n) After a hearing, if the Board of County Commissioners or a designee of the Board finds that a paper gaming licensee, a wholesale vendor licensee, or an agent of a licensee has violated this section or a rule or regulation adopted under this section, the Board may suspend or revoke the license in addition to any fine or penalty imposed under subsection (m) of this section.

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